

**DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES**  
**Bureau of Human Resources**

August 15, 2011

**HUMAN RESOURCES MEMORANDUM 6-11**

TO: All Agency Heads, Agency Human Resource Representatives

SUBJECT: Reemployment of Retired State Employees

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Public Law 2011, Chapter 380, Part MMM provides restrictions and requirements when reemploying State Employees who retire after September 1, 2011. The following are interpretations and administrative determinations regarding those restrictions and requirements:

- For a state employee to retire, they must actually terminate employment with the State and begin retirement with the Maine Public Employees Retirement System;
- The retired state employee may not return to employment with the state for at least 30 calendar days after termination;
- There should be no explicit or implicit arrangement or expectation of future employment with the state after retirement;
- The retired state employee cannot be re-employed prior to that employee's official retirement date (*the official retirement date is always the first of the month following actual termination from employment*);
- A returned retiree may be reemployed for no more than 5 years<sup>1</sup>;
- Compensation for the returned retiree must be set at 75% of the compensation established for the position (*step is determined by the appointing authority*)<sup>1</sup>;
- During the period of reemployment, the returned retiree may not accrue additional creditable service nor may earnable compensation change for benefit calculation purposes;
- Health insurance benefits for the returned retiree must be provided under Title 5, Section 285, sub-section 1-A for retired state employees, and life insurance benefits must be provided under Title 5, Section 18055;
- The portion of the employer contribution that goes to pay the retirement system for the unfunded liability and the state group health plan for retiree health care must be continued and based on the retired state employee's compensation during the reemployment period.
- ***All vacant positions, even those vacated by retirements, are subject to the current hiring freeze.***

Employers are required to identify and report each returned retiree to the Maine Public Employees Retirement System and to the Bureau of the Budget.

Additional information regarding retired state employees returning to state service follows:

**Termination for purposes of retirement is considered a break in service.**

This means that, if a retired employee is rehired into a state position, the retiree:

- must apply and compete for positions pursuant to Civil Service Rules;
- may not be treated as an "Agency Promotional" or "Statewide Promotional" candidate for purposes of certification from registers;
- will begin with a new date of hire;
- will be placed on initial probation;
- will not carry seniority forward. (*Seniority will begin with the new date of hire.*)
- may have previously accumulated and unused sick leave credits restored upon reemployment, pursuant to Civil Service Rules. (*Sick leave credits used toward the retirement benefit is not considered "unused."*); and
- may be reemployed at the same step if reemployed in a classification in which he or she was previously employed, pursuant to Civil Service Rules.

Additionally, for retired employees rehired into positions covered by a collective bargaining agreement, the retiree:

- will accrue vacation as though the employee were a new employee (that is, at the lower rate - 8 hours per month of service) in accordance with the collective bargaining agreement. (*Only after three years of continuous subsequent state service may the accrual rate be adjusted to include state service prior to the new date of hire, in accordance with the applicable collective bargaining agreement.*); and
- will not be eligible for longevity pay. (*Longevity is based on continuous state service.*)

For employees **not** covered by a collective bargaining agreement (*commonly known as "Confidentials"*), the vacation accrual rate and eligibility for longevity are based on total state service (*whether continuous or not*). Therefore, retired employees hired into "Confidential" positions:

- will accrue vacation at the appropriate rate based on their total years of state service; and
- will be eligible for longevity pay<sup>2</sup> based on their total years of state service.

**S/ Joyce A. Oreskovich**

Joyce A. Oreskovich, Director  
Bureau of Human Resources

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<sup>1</sup>These restrictions do not apply to a retired state employee who is hired as a substitute teacher.

<sup>2</sup>Public Law 2011, Chapter 380, Section E freezes longevity pay at the rate in effect on June 30, 2011.